

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 6-7, 2007

Reference No.: 2.5i.
Action Item

From: CINDY McKIM
Chief Financial Officer

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Chief
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Subject: **FINANCIAL ALLOCATION FOR LOCAL SEISMIC BRIDGE RETROFIT
PROPOSITION 1B
RESOLUTION #**

RECOMMENDATION:

The Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve the Resolution below, allocating a lump sum allocation of \$13,500,000 for Fiscal Year (FY) 2007-08 Local Bridge Seismic Retrofit Proposition 1B (Prop 1B) funds.

ISSUE:

On November 7, 2006, the voters of the State of California passed Prop 1B. One provision of this proposition creates a Local Bridge Seismic Retrofit Account. Upon appropriation by the California State Legislature (Legislature), Prop 1B funds will be available to provide the 11.5 percent match for federal highway bridge funds. The Department of Transportation is requesting authority to sub-allocate Local Bridge Seismic Retrofit Prop 1B funds, pending approval of the FY 2007-08 Budget Act.

BACKGROUND:

The Department's Division of Local Assistance administers the local assistance subvention budget under authority of the Commission. Each year, the Department requests an annual lump sum allocation for these funds consistent with the enacted Budget Act.

At the April 2007 Commission, the Department presented an information item that included the Bond Match and Highway Bridge Program Programming Guidelines as well as a list of bridges identified to receive Prop 1B funds. The Department has identified local seismic retrofit projects that will require an allocation of the Prop 1B funds, as a match for federal funds, prior to September 30, 2007. Authorization to sub-allocate Prop 1B funds will enable the Department to encumber both Prop 1B and federal funds and enter into agreements with agencies ready to deliver projects.

The Department will request an allocation from the Commission in September 2007 for the federal lump sum funds consistent with the federal fiscal year period which starts October 1, 2007. The Department may revisit that request upon enactment of the 2008 Federal Fiscal Appropriation Act to ensure consistency in funding levels.

RESOLUTION:

Resolved, that \$13,500,000 be allocated from the Budget Act of 2007, Budget Act Item 2660-104-6062, as a lump sum allocation for Local Bridge Seismic Retrofit projects, contingent upon passage of the FY 2007-08 Budget Act.

ALLOCATION OF FUNDS FOR LOCAL ASSISTANCE 2007-08 FISCAL YEAR

Dollars in Thousands

	STATE	FEDERAL	TOTAL
<u>2660-104-6062</u>			
Bond Fund - Local Bridge Seismic Retrofit Account	\$13,500		\$13,500
Subtotal	\$13,500		\$13,500
Total Local Assistance	\$13,500		\$13,500